A Study on services offered by banking Institutions; A comparative study of pre and post pandemic 2019

A Synopsis
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Introduction

India is one of the fastest growing economies in the world and service sector gives the major contribution in the Domestic Product (GDP) of the country. Banking is an important segment of the service sector. It is believed that the country with strong banking system leads towards the stable economy. Indian banking sector has improved gradually for the last two decades. But the sector is also facing a lot of challenges and difficulties due to increasing customer's demand and awareness, increasing competition, growing population, etc. Beside these, another important challenge that the sector is facing is technological changes.

As the sector is growing fast, a number of new private sector banks have emerged. Therefore customers are getting many options for selecting their suitable financial service provider. Due to increasing customer awareness, they would select those particular banks that can provide standard services and can fulfill their expectation.

In this overreaching setting, customers are highly demanding; and information asymmetry no longer exists. Today's market quickly disseminates necessary inputs about the price and services provided by the various banks. Consequently customers are becoming increasingly better informed and more demanding. As a result, the customers can quickly differentiate between the banks, and move to those who provide prompt and efficient service. That is why customer's service has now become the industry buzzword globally. The success of any business model in banking sector depends not just on margins, but importantly on ensuring value based services to customers. Therefore, it is necessary for them to provide better quality services to their customers because quality services are the main factor in achieving customer's satisfaction and establishing customer loyalty. This also helps the banks to retain existing customer and also to attract new customers.

The analysis of service quality offered by public and private banks is a complex issue that involves several aspects related to the banking industry. Service quality can be defined as the degree of excellence or satisfaction that a customer experiences while receiving a service.

Public and private banks differ in terms of ownership, management, and objectives. Public banks are usually owned by the government and operate with the goal of fulfilling social objectives, such as providing access to financial services to the underserved population. Private banks, on the other hand, are owned by private investors and operate with the goal of maximizing profits.

Parasuraman, Zeithmal & Berry defined service quality as
Service quality = Perception - Expectation
Therefore if the customer gets same services as they expect then difference will be zero, we can say service quality is very good. If the customer does not get the expected services then service quality is bad. According to business dictionary “Service quality means an assessment of how well a delivered service conforms to their client’s expectation”.

In the today’s competitive world the key factor for success for any bank is undoubtedly customer satisfaction, because banking business depends on customer’s money and bank makes stable income from loyal and satisfied customers. Therefore, banks are giving more efforts to retain existing customers and to attract new customers. Service quality of bank has been justified as a critical success factor to build their competitive advantages and to increase their competitiveness. The satisfied customers determine secure business and profitability for a bank. If a bank is unable to provide proper customer service then the bank would lose its customers.
Different Service Quality Model
Different service quality models have been developed by various researchers around the world.

Three important service quality models are summarized below:

1. Gronroos Model

Gronroos develop the first service quality model. He believed that, if firms want long term achievements, it must have an understanding of consumer perception of the quality and the way of service quality provided. He has used three dimensions in this model.

· Technical quality
· Functional quality
· Corporate image

2. GAP Model

This model was developed by Parasuraman et al (1985) for measuring service quality by measuring gap between perceived service and expected service. For developing this model they used gap analysis in service quality. In this model the five gaps are visualize.

· GAP 1- (Knowledge gap): Difference between consumer's expectation andand management's perception of those expectations.
· GAP 2-(Policy gap): Difference between management's perception of customer's expectations and service quality specification.
· GAP 3-(Delivery gap): Difference between service quality specifications and service actually delivered.
· GAP 4-(Communication gap): Difference between service delivery and the communication to customers about service delivery.
· GAP5-(Servicequalitygap):Differencebetweenconsumer'sexpectationand perceived service. This gap depends on gaps associated with service quality delivered on marketer side.

Gap 5 = f (Gap1, Gap2, Gap3, Gap4)

3. SERVQUAL Model

SERVQUAL is a well-known multidimensional research instrument for measuring and evaluating service quality in any service sector. The SERVQUAL model of measuring the scale of quality in service was developed by Valerie Zeithaml, Parasuraman and Len Berry in the year 1985. The objective of this survey instrument is to determine the value that the service sector is currently delivering to the customers and the value that the customer anticipates. The data will be collected via surveys of customer. In this survey the customers of the sample responds to series of questions based around a number of key service dimensions .The methodology was originally based around 5 key dimensions. The questionnaire consists of matched pairs of items; 22 expectation items and 22 perceptions items, organized into five dimensions which are believed to align with the consumer's mental map of service quality dimension.

· **Reliability**: The ability to perform the promised service dependably and accurate.

Assurance: The knowledge and courtesy of employees and their ability to convey trust and confidence.

· **Tangibles** : The appearance of physical facilities, equipment, personnel and communication materials

· **Empathy**: The provision of caring, individualized attention to customers.

Responsiveness: The willingness to help customers and to provide prompt service.

Literature review

- A number of studies have been conducted by the academicians and researchers on different aspects of service quality in banking sector. Few of them are summarized below:

- Sheetal (2004) attempted to examine the role and nature of service quality dimension in banking sector. He found that tangibility is the least important and empathy is second least important service quality attributes in banking sector.

- Agarwal (2009) observed that the customers are influenced in their usage of e-banking services by the kind of account they hold, their ageand profession,etc. The studyclearly emphasizes the need forbanks to understand that the financial products and services supplied over the Internet must not only be tailored to fulfill wants, preferences, security and quality expectations of customers at the present time, but also be required to induce customers to demand and use e-banking on a wider scale in the future

- . Siddiq (2011) attempted to identify the interrelationships and critical factors between service quality, customer satisfaction and customer loyalty in retail banking sector in Bangladesh. He found that all the service quality attributes are positively related to customer satisfaction and customer loyalty in the retail banking sector. Empathy demonstrates the highest positive correlation with customer satisfaction and tangibility shows the least positive correlation with customer satisfaction.

- Jani (2012) identified relative important factors affecting the areas of strength and weaknesses of public and private sector banks in terms of different technologies offered to customers and future growth of e-channels in retail banking. The result revealed that use of technology inferred a positive perception of customers of public sector and private sector banks.

- Vasantha and Rani (2011) have analyzed the practicality of determining the retail service quality opinions and its effect on demographic aspects in Bangalore city. Findings of this study delivered guidelines regarding enhancement of service offerings by various organizations and effort to provide a primary understanding on the direction of the customer's opinion about the service quality in retail banking.

- Oppewal and Vriens (2012) used SERVQUAL model to find out the dimension which yield maximum improvement in bank's utility among different dimension such as different service attributes, strategically important service dimensions, and overall preference for banks or banking products
- .
- Chinwuba (2013) measured the customer perceived service quality and their satisfaction level by using SERVQUAL model through the help of 117 respondents. They found that assurance, empathy and responsiveness dimensions have positive relationship between them and no significant effect on customer satisfaction and there was a negative relationship and no significant impact between reliability and customer satisfaction. But the dimension tangibility has significant positive relationship with customer satisfaction.

- Mary (2014) conducted a study in Chennai city and the study found out that the customers in private sector banks are more satisfied than customers of public sector banks. There exists a strong relationship between expectation level of the customer and level of satisfaction and customer loyalty in banking sector.

- Haidar and Islam (2014) determined the importance of perceived service quality factors of private commercial banks (PCB) in Bangladesh. Sample size of this study was 300.The results revealed that tangibility is the most important factor in determining the service quality followed by reliability, empathy accessibility and assurance

- Rahaman et al. (2011) conducted the study on Bangladesh to measure service quality of PCBs on expectation and perception of customers regarding the services on diverse five dimensions. Authors concluded that three factors were responsible in determining service quality gaps viz. reliability, responsiveness, and assurance. The results revealed that the gap existed between perceived services and customers' expectation in PCBs which implies that customers were not satisfied with the services provided by private sector banks.

- Shanka (2012) made an on working mechanism of private banks on Ethiopia. By using SERVQUAL model, author found out that empathy and responsiveness play an important role in customer satisfaction level and the author also concluded that providing excellent service increases the customer satisfaction and customer loyalty.

- Muyeed (2012) conducted a study in Bangladesh to examine the service quality in retail banking by taking the sample size 250 respondents of public and private sector banks. The author found that customers are highly satisfied in prompt and accuracy in transaction but less satisfied in the service of modern equipment of the bank.

Objectives

- The main objectives of the study are as follows:
- To do the comparative study of services offered by banks pre and post pandemic.
- To analyze the services offered by public and private sector banks before and after pandemic study .
  Public sector bank. (State bank of India) (Central bank of India)
  Private sector bank. (icici bank) (HDFC bank)
- To analyse the dimensions like tangibility , reliablity , responsiveness, assurance , empathy dimensions of service quality in public and private sector banks.
- To present the changes in services offered by banks pre and post pandemic .

Research Hypothesis

- The public sector banks are offering better services than private sector banks before and after pandemic.
- The public sector banks are offering quality services than private sector banks before and after pandemic.
- This study will be conducted to find the differences in terms of services offered by public sector banks and private sector banks before and after pandemic.
- This Study will be conducted to analyse the effect of servqual model in improving service quality in public and private sector banks .

Methodology

The methodology and design adopted for the study is as follows:

Area of Study

The study will be conducted in Jaipur Rajasthan.

Duration of the study

For the purpose of analysis the duration of 2 years will be taken into consideration.

Data Collection

Primary Data

1 Questionnaire

2 Interview

The questionnaire will be based on SERVQUAL Model which was developed by Zeithmal, Parsuraman and Berry in the year of 1988. For appraising the service quality in the banking sector, five parameters will be used as per this model. These parameters are - tangibility, reliability, responsiveness, assurance and empathy. The questionnaire will be collected from customers of banks and employees of banks of at least 200 customers .

And questionnaire will be based on services changed due to pandemic. questions will be based on services offered before and after pandemic .

Secondary Data
Books

Journals of european , palarch , emerald, allied business,diva portal, internet banking .

websites- the marketing study guide, research gate,emerald insights ,jse publications CORE.

Internet

wikipedia

Sample collected from customers and employees from 4 banks

Public sector Bank	**Private sector Bank**
1 State bank of India	1 ICICI
	2 HDFC
2 central bank of India	

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